UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case No. IPR2025-00733
Patent No. 11,640,340

PETITIONER'S REQUEST FOR DIRECTOR REVIEW OF DECISION DENYING INSTITUTION

TABLE OF AUTHORITIES

CASES

STATUTES

I. INTRODUCTION

Petitioner respectfully requests that the Director reverse the decision discretionarily denying institution (Paper 9) because the decision was an abuse of discretion exceeding the Director's authority under 35 U.S.C. §314(a). While the statute grants the Director certain discretion over institution decisions, discretionary authority cannot be invoked as a license to act contrary to binding law. The Director's decision to deny institution of this *inter partes* review based on so-called "unfair dealings" (IPR2025-00322, Paper 14 at 2-3) (incorporated in IPR2025-00733, Paper 9 at 2) contradicts the IPR statute and binding Federal Circuit law disallowing the application of assignor estoppel in *inter partes* review.

II. ARGUMENT

The Federal Circuit has made very clear: assignor estoppel cannot be applied to prevent an *inter partes* review. *See Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). The statute establishing *inter partes* review—35 U.S.C. §311(a)—is "unambiguous" and "allows any person 'who is not the owner of a patent' to file an IPR." *Arista*, 908 F.3d at 803. As the Federal Circuit explained, this is "an intentional congressional choice" that "is consistent with the overarching goals of the IPR process that extend beyond the particular parties in a given patent dispute" and should not be interfered with by courts or agencies outside of Congress. *Id*. at 804. The statute enacted by Congress "***unambiguously***

dictates that assignor estoppel has ***no place*** in IPR proceedings." *Id*. (emphasis added).

Recognizing that it had no proper basis under the law to prevent *inter partes* review of its invalid patent, Patent Owner Nutanix alleged that it was "not arguing that assignor estoppel applies based on [35 U.S.C.] § 311(a)," but was instead asking for discretionary denial based on what Nutanix characterized as "unfair dealing" by the inventors. Paper 6 at 3 n.1. But this is a distinction without a difference. What Nutanix alleges occurred here as a basis for this new "unfair dealing" category of discretionary denial is indistinguishable from the typical factual allegations under which the assignor estoppel "doctrine often arises": "where an employee invents something during his or her tenure with a company, assigns the rights to that invention to his or her employer, then leaves the company to join or found a competing company." *Arista*, 908 F.3d at 801. Nutanix attempted to disguise its assignor estoppel argument as an "unfair dealing" argument in the same way in IPR2025-00298 (Paper 6 at 17 n.2 (Mar. 19, 2025)) and the merits panel rightly rejected it, holding that Nutanix "may not apply the principle of assignor estoppel to *inter partes* review by calling the principle by a different name." IPR2025-00298, Paper 11 at 22 (Jun. 2, 2025).

The merits panel in IPR2025-00298 was correct, and the Director's contrary decision here should be reversed.[1] The decision to discretionarily deny institution in this case effectively acts to circumvent the statute, Congress's intent, and the Federal Circuit's case law by applying assignor estoppel under a different name. But the Director's discretion, while broad in some respects, is nonetheless cabined by the law. *See*, *e.g.*, *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 203 (2016) ("in a system of laws discretion is rarely without limits") (quoting *Flight Attendants v. Zipes*, 491 U.S. 754, 758 (1989)); *Kirkendall v. Dep't of Army*, 479 F.3d 830, 844 (Fed. Cir. 2007) (even when a statute affords some "discretion," an agency "must administer the law as Congress wrote it"); 35 U.S.C. §2(b)(2) (Patent Office "may establish regulations, not inconsistent with law"). The Director does not have discretion to effectively apply assignor estoppel to deny institution and thus deprive this Petitioner of the right, granted by Congress, to participate in *inter partes* review. Where "the statute clearly evinces Congress' intent," an agency "cannot use [its afforded] discretion to override the congressionally mandated right" that the statute sets forth. *Kirkendall*, 479 F.3d at 844.

[1] The Director's decision vacating the merits panel's decision in IPR2025-00298 should likewise be reversed.

III. CONCLUSION

Accordingly, Petitioner respectfully requests that the Director reverse the discretionary denial decision and refer the Petition to the merits panel.

Respectfully submitted,

Date: September 15, 2025

/Anant K. Saraswat/

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CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on September 15, 2025, a copy of the foregoing document, including any exhibits filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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